

Exhibit 21



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HEADLINE: Panel Urges Sharp Change For Hospitals In Brooklyn

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BODY:

The New York State health commissioner should be given sweeping new powers to replace the executives and board members of private hospitals, a group appointed by Gov. Andrew M. Cuomo recommended Monday in a report on how to restructure Brooklyn's failing hospitals and health system.

The report calls for legislation to provide such authority "not just in Brooklyn and not just for troubled hospitals, but across the state and along the continuum of care."

At the same time, it called for changes in the law that could open hospitals and physicians' practices to investment by large private companies. But in a nod to strong opposition from defenders of the state's non-profit hospital tradition, it added: "Private investment must not be allowed to undermine a facility's commitment to the community or its accountability."

Both ideas -- the state exerting more control over private hospitals, and encouraging profit-motivated investment -- are attempts to help struggling hospitals adapt to drastic changes in federal and state health care financing.

"It's very hard when you're living through a transition," said Stephen Berger, the chairman of the Brooklyn Work Group, which produced the report. "But we are moving to a different health delivery system, and everybody's going to have to get on board."

But the proposals drew quick pushback from Kenneth E. Raske, president of the Greater New York Hospital Association, the industry lobbying group. Mr. Raske said that the association would continue to oppose investor-owned hospitals, and that new state powers had to be very narrowly drawn to avoid "the potential of an autocratic action."

Mr. Raske agreed, however, that such power should apply to troubled institutions expecting state aid to restructure, including the half-dozen Brooklyn hospitals that the report recommends for mergers.

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Three described as in immediate danger of financial collapse, Brookdale Hospital Medical Center, Interfaith Medical Center and Wyckoff Heights Medical Center, would be joined with other hospitals that are stronger but not considered viable on their own.

No hospital would simply be bailed out, the report said, but all would have to apply for support based on new patient-centered delivery models being promoted by the government to reduce Medicaid costs and improve outcomes. Support could include forgiveness of long-term debt, which could be controversial if private investors play a role.

The report calls for Kingsbrook Jewish Medical Center, in East Flatbush, to lead in establishing an integrated system with Brookdale, in Brownsville, under a new executive and board of directors. Brooklyn Hospital Center, in Fort Greene, "which recently emerged from bankruptcy and is demonstrating sound financial practices," the report said, would lead an integration with Wyckoff Heights, in Bushwick, and Interfaith, in Bedford-Stuyvesant.

Other recommendations include closing inpatient services at Kingsboro Psychiatric Center; consolidating State University of New York-Downstate medical beds on the campus of Long Island College Hospital; and bringing salaries and fringe benefits for both unionized employees and hospital executives into line with revenue.

The report now goes to Nirav Shah, the state's health commissioner, who will consult local leaders, legislators and hospital administrators to determine the best options, said Jeffrey Gordon, a Health Department spokesman.

In a signal of support, Dr. Shah announced Monday that \$450 million in grants would be available early in 2012 to help health care facilities across the state "that are working to transition to a more sustainable, patient-centered approach that reduces over-reliance on inpatient care in hospitals and nursing homes."

Critics point out that combining ailing hospitals has rarely created healthy ones in Brooklyn, where more than one in five residents live below the poverty line, two in five receive Medicaid, and many have no primary care physician.

The 88-page report noted that some of the hospitals' problems were beyond their control. But without naming names, the report was also sharply critical of the boards of some of the endangered hospitals for adopting a failed strategy "that seeks merely to be the last man standing in their communities."

"They have not evaluated financial and clinical performance, set strategic goals to address them, and held management accountable," the report said.

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